# SENATE CONCURRENT RESOLUTION No. 165

## STATE OF NEW JERSEY

### 214th LEGISLATURE

INTRODUCED JUNE 16, 2011

**Sponsored by:** 

**Senator JOSEPH F. VITALE** 

**District 19 (Middlesex)** 

Senator LORETTA WEINBERG

District 37 (Bergen)

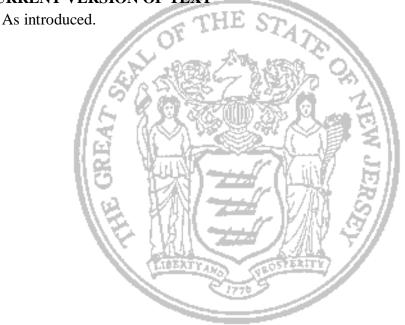
Co-Sponsored by:

**Senators Cunningham and Ruiz** 

#### **SYNOPSIS**

Urges Centers for Medicare and Medicaid Services to reject proposed reductions in NJ FamilyCare income eligibility limits and provider reimbursement rates in NJ Medicaid Comprehensive Waiver.

### **CURRENT VERSION OF TEXT**



(Sponsorship Updated As Of: 6/28/2011)

A CONCURRENT RESOLUTION urging the federal Centers for Medicare and Medicaid Services to reject any reduction in NJ FamilyCare income eligibility limits and Medicaid provider reimbursement rates in New Jersey's Medicaid Comprehensive Waiver application.

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- WHEREAS, The New Jersey Departments of Human Services and Health and Senior Services have stated their intention to seek "a Medicaid and Children's Health Insurance Program (CHIP) Section 1115 research and demonstration waiver that encompasses all services and eligible populations served under a single authority that provides broad flexibility to manage all programs more efficiently"; and
- WHEREAS, The stated intent of the waiver is to "allow New Jersey flexibility to define who is eligible for services, the benefits they receive and the most cost-effective service delivery and purchasing strategy"; and
- 18 WHEREAS, While the proposed Comprehensive Waiver concept paper 19 provides for positive administrative efficiencies and contains 20 commendable goals toward improving the delivery of health care services to the population served by the Medicaid program in New 21 22 Jersey, it also contains several unconscionable and short-sighted 23 proposals that will have an adverse effect on access to health care 24 for low-income families in the State and on the health care delivery 25 system in this State; and
- WHEREAS, The proposed waiver seeks to freeze enrollment for all adult parents in NJ FamilyCare whose income exceeds the State's Aid to Families with Dependent Children eligibility limit, which was established in the 1980s and, on average, is less than 30% of the federal poverty level, which for a family of three, means an income limit of \$443 per month; and
- WHEREAS, This income eligibility limit reduction follows a FY2011 freeze on enrollment of parents in NJ FamilyCare whose income exceeded 133% of the federal poverty level and, combined with the freeze from FY2011, is estimated to result in denying health care coverage in FY2012 to a staggering 93,000 low-income parents; and
- WHEREAS, Reductions in income eligibility levels for governmentsponsored health care coverage are difficult at any time, but are particularly devastating to families during an economic recession, with unemployment in this State at unacceptably high levels and access to employer-sponsored coverage more limited than ever; and
- WHEREAS, The policy to reduce income eligibility limits for parents not only impacts parents, but children as well; when parents lose coverage, child enrollment in government-sponsored health care programs also decreases, and New Jersey already has a disproportionately low number of children enrolled in Medicaid and

48 CHIP; and

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1 WHEREAS, The reduction in NJ FamilyCare income eligibility limits 2 for parents cannot be justified on a financial basis; the State 3 Department of Human Services estimates that the proposed 4 reduction will save the State \$9 million dollars, but the State will 5 lose \$17 million dollars in federal matching funds, so this policy 6 results in a net loss of \$8 million in funding for the State's health 7 care system; and 8 WHEREAS, The proposed waiver also seeks to reduce provider 9 reimbursement rates, although the Departments of Human Services 10 and Health and Senior Services concept paper describing the waiver 11 proposal does not provide specifics as to how and where these rates 12 will be reduced; and WHEREAS, New Jersey Medicaid fee-for-service reimbursement rates 13 14 are already among the lowest in the county, and before they are 15 reduced further, it is necessary to review how and where they may 16 be changed and how the reduction will impact Medicaid recipient 17 access to health care services throughout the State; and 18 WHEREAS, The proposed reduction in income eligibility limits and 19 changes in reimbursement rates would move New Jersey in the 20 opposite direction from that of the Patient Protection and Affordable Care Act, which calls for an expansion of Medicaid by 21 22 2014; now, therefore, 23 24 BE IT RESOLVED by the Senate of the State of New Jersey (the 25 General Assembly concurring): 26 27 The Centers for Medicare and Medicaid Services is respectfully urged to reject provisions in New Jersey's Medicaid 28 29 Comprehensive Waiver application that reduce income eligibility 30 limits for parents in NJ FamilyCare and reduce Medicaid provider 31 reimbursements, which provisions will have a deleterious impact on 32 the health of New Jersey's low-income families and on the State's 33 health care system. 34 35 2. Duly authenticated copies of this resolution, signed by the 36 President of the Senate and the Speaker of the General Assembly 37 and attested by the Secretary of the Senate and the Clerk of the 38 General Assembly, shall be transmitted to the Administrator of the 39 Centers for Medicare and Medicaid Services and the Secretary of 40 Health and Human Services. 41 42 43 **STATEMENT** 44 45 The concurrent resolution respectfully urges the federal Centers 46 for Medicare and Medicaid Services (CMS) to reject provisions in Jersey's proposed Medicaid Comprehensive 47 application that reduce income eligibility limits for parents in NJ 48

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1 FamilyCare and reduce Medicaid provider reimbursements, which provisions will have a deleterious impact on the health of New 2 3 Jersey's low-income families and on the State's health care system. 4 The New Jersey Departments of Human Services and Health and 5 Senior Services intend to seek a Section 1115 Medicaid waiver 6 from CMS to enable the State to make significant changes in the 7 Medicaid and NJ FamilyCare programs. The proposed waiver, as 8 described in the departments' May 2011 concept paper, contains 9 several unconscionable and short-sighted changes to the programs 10 that will have an adverse effect on access to health care for the 11 State's low-income families and on the health care delivery system in this State. The most significant and troubling proposal is a freeze 12 13 on enrollment for all adult parents whose income exceeds the 14 State's Aid to Families with Dependent Children eligibility limit, 15 which limit is less than 30% of the federal poverty level. A family 16 of three would only qualify for NJ FamilyCare if their annual income did not exceed \$5,316. It is estimated that in FY2012, a 17 18 staggering 93,000 low-income parents will be denied health care 19 coverage if this eligibility change is implemented.